



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

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First Federal Bank of Florida, Lake City, Florida, Assumes All of the Deposits of Flagship National Bank, Bradenton, Florida

FOR IMMEDIATE RELEASE

Flagship National Bank, Bradenton, Florida, was closed today by the Office of the Comptroller of the Currency, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with First Federal Bank of Florida, Lake City, Florida, to assume all of the deposits of Flagship National Bank.

The four branches of Flagship National Bank will reopen on Monday as branches of First Federal Bank of Florida. Depositors of Flagship National Bank will automatically become depositors of First Federal Bank of Florida. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship to retain their deposit insurance coverage. Customers should continue to use their existing branch until they receive notice from First Federal Bank of Florida that it has completed systems changes to allow other First Federal Bank of Florida branches to process their accounts as well.

This evening and over the weekend, depositors of Flagship National Bank can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of August 31, 2009, Flagship National Bank had total assets of \$190 million and total deposits of approximately \$175 million. First Federal Bank of Florida did not pay the FDIC a premium for the deposits of Flagship National Bank. In addition to assuming all of the deposits of the failed bank, First Federal Bank of Florida agreed to purchase essentially all of the assets.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-189-2009

The FDIC and First Federal Bank of Florida entered into a loss-share transaction on approximately \$130 million of Flagship National Bank's assets. First Federal Bank of Florida will share in the losses on the asset pools covered under the loss-share agreement. The loss-share arrangement is projected to maximize returns on the assets covered by keeping them in the private sector. The agreement also is expected to minimize disruptions for loan customers. For more information on loss share, please visit: <http://www.fdic.gov/bank/individual/failed/lossshare/index.html>.

Customers who have questions about today's transaction can call the FDIC toll-free at 1-800-355-0650. The phone number will be operational this evening until 9:00 p.m., Eastern Daylight Time (EDT); on Saturday from 9:00 a.m. to 6:00 p.m., EDT; on Sunday from noon to 6:00 p.m., EDT; and thereafter from 8:00 a.m. to 8:00 p.m., EDT. Interested parties also can visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/flagship.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$59 million. First Federal Bank of Florida's acquisition of all the deposits was the "least costly" resolution for the FDIC's DIF compared to alternatives. Flagship National Bank is the 103rd FDIC-insured institution to fail in the Nation this year, and the ninth in Florida. The last FDIC-insured institution closed in the state was Hillcrest Bank Florida, Naples, which also closed today.

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